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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1956

No. 810

FOURCO GLASS COMPANY, PETITIONER,

vs.

TRANSMIRRA PRODUCTS CORPORATION AND ROBERT ARONSTEIN

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR CERTIORARI FILED AUGUST 13, 1956
CERTIORARI GRANTED OCTOBER 8, 1956

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, PETITIONER,

vs.

TRANSMIRRA PRODUCTS CORPORATION AND ROBERT ARONSTEIN

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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[fols. 1-2]

IN UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK

Civ. 98-311

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN,
Plaintiffs

against

FOURCO GLASS CO., Defendant

OPINION, ORDER AND JUDGMENT BELOW.—August 5, 1955

APPEARANCES:

Aronstein & Aronstein, of New York, N. Y., Attorneys for Plaintiffs, Robert Aronstein, William B. Aronstein, of Counsel.

Robert E. Burns, of New York, N. Y., Attorney for Defendant, Edward S. Irons, of Washington, D. C., of Counsel.

DAWSON, D. J.:

This is a motion under Rule 12(b)(3) to dismiss the action because of improper venue. The action is one for patent infringement.

The venue for patent infringement actions is specified in § 1400(b) of Tit. 28 U. S. C. as follows:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business. June 25, 1948, c. 646, 62 Stat. 936."

[fol. 3] (150) The defendant is a West Virginia corporation. It maintains a sales office in this district and by the regular and continuous course of activity in that office, it may be said to have a regular and established place of business in this district.

The defendant urges that (1) it does not reside in this district, and (2) although it may have a regular and estab-

lished place of business in the district, it has not committed acts of infringement in the district.

For the purposes of this statute, "residence" of a corporation is the state of its incorporation. The mere fact that a corporation is licensed to do business in a state, other than the state of its incorporation, or is doing business in such state, does not make it a resident of the latter state. Whatever may be thought of decisions to the contrary,* the weight of authority would seem to agree with the decison to this effect in *C-O Two Fire Equipment Co.* v. *Barnes*,** which was affirmed by the Supreme Court by an equally divided court. (151) Therefore, venue could properly be laid in this district only if it is a district where defendant has a regular and established place of business *and* has committed acts of infringement.***

[fol. 4] The papers submitted on the motion adequately establish that the defendant has a regular and established place of business in the district. However, there are no facts in the motion papers from which the Court can conclude that defendant has committed acts of infringement in the district. Such acts of infringement, under the circumstances, would be a prerequisite to the establishment of proper venue in this district.

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* *Dalton* v. *Shakespeare Co.*, 196 F. 2d 469 (C. A. 5, 1952); *Farr* v. *Gratiot*, 92 F. Supp. 320 (S. D. Cal., 1950); *Gunberson Corp.* v. *Garrett Oil Tools*, 205 F. 2d 660 (C. A. 5, 1953).

** 194 F. 2d 410 (C. A. 7, 1952), aff'd 344 U. S. 861 (1952); see *Gulf Research & Development Co.* v *Schlumberger Well Surveying Corp.*, 92 F. Supp. 16 (S. D. Cal., 1950); mandamus denied 183 F. 2d 457. On transfer to another district, the second court refused to review the decision, 98 F. Supp. 198 (D. Del., 1951); mandamus denied 193 F. 2d 302 (C. A. 3, 1951), affirmed by an equally divided court, 344 U. S. 861 (1952).

*** *Transmirra Products Corp.* v. *Magnavox Co.*, 110 F. Supp. 676 (S. D. N. Y., 1953); *Jones* v. *R. C. A.*, 129 F. Supp. 440 (S. D. N. Y., 1955); *Rava* v. *Westinghouse El. Corp.*, 90 F. Supp. 707 (S. D. N. Y., 1950).

The complaint alleges:

> "Upon information and belief that defendant has been and still is infringing said Letters Patent by making, selling or using television receivers, television cathode ray receiving tubes or other devices embodying the patented invention owned by the plaintiff, Robert Aronstein, within the Southern District of New York or has been actively inducing infringement of said Letters Patent within the Southern District of New York or has contributed to the infringement of said Letters Patent within the Southern District of New York, and will continue so to do unless enjoined by this Court."

There is no indication from the motion papers that the defendant makes or sells, either in this district or elsewhere, television receivers, television cathode ray receiving tubes or devices embodying the alleged patented invention of the plaintiff; in fact, the papers indicate distinctly to the contrary. In the (152), brief of plaintiff submitted on this motion, plaintiff's counsel makes the statement that plaintiffs are not able to directly trace the sale of any particular television set within this district containing the alleged infringing product of defendant. They urge, however, that defendant may be guilty of contribu- [fol. 5] tory infringement because in answers to interrogatories in a separate suit pending in this Court, *Transmirra Products Corp. and Robert Aronstein v. Radio Corporation of America*, Civ. 67-129, Radio Corporation of America, in answer to an interrogatory as to firms or corporations cooperating with that defendant "who were in any way connected with the development or manufacture of the filter face of the cathode ray tube known as 'RCA Filterglass', as manufactured, sold or distributed" by that defendant, answered, among others: "Fourco Glass Company, Union National Bank Building, Clarksburg, West Virginia."

There is no indication that any such actions of Fourco Glass Company; even if they constituted contributory infringement, took place other than at the principal office of Fourco Glass Company in Clarksburg, West Virginia.

Plaintiff has had plenty of time to secure any information which it may wish to secure on this situation. Defendant's motion to dismiss was first filed on March 23, 1955. Subsequent thereto, plaintiff submitted two sets of interrogatories which have been answered, and plaintiff has taken (153) the deposition of the Eastern Sales Manager of the defendant. When the motions came upon the calendar and plaintiff stated that it needed more detailed answers to its interrogatories or wished the right to take the deposition of the defendant by oral examination, the motion was delayed for such purposes.

It appears, therefore, that plaintiff has been unable to secure any information which might lead in any way to a conclusion that the defendant has been guilty of infringement or contributory infringement in this district. In an action of this nature, plaintiff has the burden of showing jurisdiction. *Rava* v. *Westinghouse El. Corp., supra.* This it has not done.

[fols. 6-63] Complaint

The motion to dismiss the action for lack of venue is granted. So ordered.

Dated: New York, N. Y., August 5, 1955.

Archie O. Dawson, U. S. D. J.

Judgment entered: 8-5-55.

William J. Connell, Clerk.

[fol. 64] IN UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT, OCTOBER TERM, 1955

No. 315

Argued: April 12, 1956

Docket No. 23836

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN, Plaintiffs-Appellants,

v.

FOURCO GLASS CO., Defendant-Appellee.

Before: CLARK, Chief Judge, and HINCKS and LUMBARD, Circuit Judges.

Appeal from the United States District Court for the Southern District of New York, Archie O. Dawson, *Judge*.

Transmirra Products Corp. and Robert Aronstein appeal from the dismissal for lack of venue of their action for patent infringement upon motion of defendant, Fourco Glass Co., D. C. S. D. N. Y., 133 F. Supp. 531. Reversed and remanded.

[fol 65] Stanley N. Ohlbaum, New York City (Aronstein & Aronstein, Robert Aronstein, and William B. Aronstein, New York City, on the brief), for plaintiffs-appellants.

Vernon H. Doane, Washington, D. C. (Robert E. Burns, New York City, and Edward S. Irons, James P. Burns, and Charles B. Johnson, Washington, D. C., on the brief), for defendant-appellee.

OPINION—May 14, 1956

CLARK, *Chief Judge*:

Plaintiff's appeal from the dismissal, for want of venue in the court below, of their action for patent infringement brought against a West Virginia corporation. In granting the defendant's motion to dismiss, Judge Dawson ruled that plaintiffs had shown no acts of infringement committed by the defendant in the Southern District of New York, although he did point out that it maintains a sales office

in the district and by the regular and continuous course of activity there may be said to have a regular and established place of business therein. D. C. S. D. N. Y., 133 F. Supp. 531. Since, disagreeing with the judge's interpretation of the governing legislation, we hold that the defendant "resided" in the district within the applicable statutory definition of venue, we shall not consider his ruling with respect to the absence of local acts of infringement.

The governing statutes here, found in Chapter 87 of Title 28 U. S. Code entitled, "District Courts; Venue," are the ones dealing with "Venue generally" and with "Patents and copyrights." From the first we have the provision:

> "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business [fol. 66] or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes." 28 U. S. C. § 1391(c).

And from the second we have the following:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." 28 U.S.C. § 1400(b).

As was held with respect to earlier legislation, the second provision should control here. *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561. Even so, that requires but the insertion in it of the definition of corporate residence from the first provision [1]—just as that definition is properly to be incorporated into other sections of the venue chapter, *e.g.*, §§ 1392, 1393, 1395, 1396, 1397, 1400, etc.[2] Hence the

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[1] As the Reviser's Note to § 1400(b) indeed suggests, in pointing out the identity of "resident" with "inhabitant" of the former law and making a specific cross-reference to the like explanation in the Note to § 1391.

[2] See discussion in the Note cited in the text *infra*, 56 Col. L. Rev. 394, 412, 413 (1956), also analyzing acutely other special venue provisions, including that of the Jones Act,

plain meaning of the two statutes, when read together, would be that this defendant may be sued in New York, where it "is doing business."

Such, we think, is the proper interpretation of the legislative mandate, fortified, indeed, upon consideration of the background and general purpose of the 1948 statutory revi- [fol. 67] sion. But there has arisen a serious difference of opinion, many eminent judges reading the statutes as intending no change in the former law, wherein the corporation was an "inhabitant" only of its state of incorporation. Able exponents of this view are Chief Judge Phillips in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 572, with Judge Huxman dissenting, and Chief Judge Major in *C-O-Two Fire Equipment Co.* v. *Barnes*, 7 Cir., 194 F. 2d 410, with Judge Lindley dissenting, affirmed by an equally divided court, *Cardox Corp.* v. *C-O-Two Fire Equipment Co.*, 344 U. S. 861; see also *Ackerman* v. *Hook*, 3 Cir., 183 F. 2d 11. Opposed and expressing the view with which we agree are *Dalton* v. *Shakespeare Co.*, 5 Cir., 196 F. 2d 469, and *Guiberson Corp.* v. *Garrett Oil Tools*, 5 Cir., 205 F. 2d 660, certiorari denied 346 U. S. 886,[3] as well as the text writers in

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46 U. S. C. § 688, permitting suits in the district in which the defendant employer resides or in which his principal office is located. "Since the doing business test of section 1391 (c) defines residence, can it be applied here when to do so would make superfluous the last clause of the special provision? The decisions are uniform in holding that it can." 56 Col. L. Rev. 394, 413 (1956), citing cases.

[3] The cases cited do not exhaust the judicial precedents, for there are several district court decisions also divided. Compare, e.g., *Farr Co.* v. *Gratiot*, D. C. S. D. Cal., 92 F. Supp. 320, per Hall, *J.*, for the construction stated in the text, and *Pierce* v. *Perlite Aggregates, Inc.*, D. C. N. D. Cal., 110 F. Supp. 684, per Lemmon, *J.* opposed. The case of *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp.*, D. C. S. D. Cal., 92 F. Supp. 16, per Harrison, *J.*, also opposed, had a checkered career, as its transfer to Delaware, D. C. S. D. Cal., 10 F. R. D. 353, was unsuccessfully opposed by mandamus—a remedy refused because of lack of extraordinary circumstances. *Gulf Re-*

general. See Note, *Doing Business as a Test of Venue and Jurisdiction over Foreign Corporations in the Federal Courts*, 56 Col. L. Rev. 394, 413-416 (1956); 47 Nw. L. Rev. 699-705 (1952); 21 Geo. Wash. L. Rev. 610 (1953); Seidel, *Venue in Patent Litigation*, 22 Geo. Wash. L. Rev. 682, 697 (1954); 3 Moore's Federal Practice 2139, 2140 (2d Ed. 1948); Moore's Commentary on the U. S. Judicial Code 178, 179, 184, 185 (1949).

[fol. 68] The stated reason chiefly relied on for the judicial conservatism thus displayed, namely, that the revision of Title 28 was often declared by those participating to be in the main declaratory only, without change of substance, can properly apply only where there was not change of substance; correctly understood in the light of the background of the revision, it here actually cuts the other way. For, as is well understood, an editorial staff from two law publishing firms did the initial task of revision for the legislative committee and naturally limited its work to revision proper. But, as also well understood, various suggestions coming from the staff or special consultants or scholars were adopted and, where occurring, made sharp breaks with the past. This is developed with extraordinary complete documentation by Chief Justice Vinson in a case so analogous as to be authoritative here. *Ex parte Collett*, 337 U. S. 55, 61-71, 10 A. L. R. 2d 921, upholding the general applicability of another provision of this Venue chapter, 28 U. S. C. § 1404(a), providing for a change of venue for the convenience of parties and witnesses. In fact the same idea is expressly stated or conceded, under the rubric, applying to situations "which would not yield to codification," of "a few such changes, substantive in nature," by Chief Reviser Barron, in his quoted article, *The Judicial Code: 1948 Revision*, 8 F. R. D. 439, 441.[4] Among such im-

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search & Development Co. v. *Harrison*, 9 Cir., 185 F. 2d 457; *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp., D. C. Del.*, 98 F. Supp. 198, per Leahy, *J.*; *Gulf Research & Development Co.* v. *Leahy*, 3 Cir., 193 F. 2d 302, affirmed by an equally divided court, 344 U. S. 861.

[4] Cited and quoted in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 572, though *Ex parte Collett*, 337 U. S. 55, 10 A. L. R. 2d 921, is not. The *Ruth* case also quotes similar

[fol. 69] portant changes, that making corporations suable where they do business is of course outstanding.

The rationale of this sharp break with ancient formulae is quite obviously a response to a general conviction that it was "intolerable if the traditional concepts of 'residence' and 'presence' kept a corporation from being sued wherever it was creating liabilities." See the Note cited *supra*, 56 Col. L. Rev. 394, at 395 (1956). As this authority points out, the particular attack on the problem here is in terms of venue, with which is allied the issue of personal jurisdiction over corporations.[5] But, as we know, the ramifications are yet more general; for there have long been debated proposals to substitute for the famous fiction making a corporation a citizen or inhabitant of the perhaps remote state of its incorporation the more realistic test for substantive jurisdiction itself of the place or places of corporate activity or doing business. See Frankfurter, *J.*, in *Lumbermen's Mutual Casualty Co.* v. *Elbert*, 348 U. S. 48, 56, discussing, *inter alia*, the proposals of that distinguished lawyer and statesman, the late Attorney General Mitchell; and see in detail, McGovney, *A Supreme Court Fiction*, 56 Harv. L. Rev. 853, 1090, 1225, 1231-1238, 1251, 1252 (1943). So extensive has been the dispute, so volumi-

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generalities from Professor Moore, apparently overlooking his specific views adverse to that decision, as noted in, *e.g.*, 56 Col. L. Rev. 394, at 414, and cited in the text. Unfortunate consequences of too restricted a construction of the new revision have also appeared elsewhere. See *Telechron, Inc.* v. *Parissi*, 2 Cir., 197 F. 2d 757, 761, overruling the narrow construction of *Kleinman* v. *Betty Dain Creations*, 2 Cir., 189 F. 2d 546, of the "pendent jurisdiction" provisions of 28 U. S. C. § 1338(a) with respect to claims of unfair competition; and see also Note, *Curtailing the Scope of 1404-A—Round Two*, 60 Yale L. J. 183-188.

[5] The suggestion found, as in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 573, that § 1391 (c) but writes into the venue section the effect of *Neirbo Co.* v. *Bethlehem Shipbuilding Corp.*, 308 U. S. 165, 128 A. L. R. 1437, as to waiver of venue is obviously inadequate as an explanation; the change is perfectly consistent with the *Neirbo* decision, but goes much beyond it.

nous the literature, that even partial steps to correct what has been so thoroughly and exhaustively condemned as unjust would seem deserving of support. No reason appears, therefore, why we should strain to discover unex- [fol. 70] pressed exceptions to this beneficial principle, which could so easily have been expressed, had they been intended.[6]

Moreover, recognition of such exceptions is unreasonable, since all the grounds supporting the general rule appear fully as applicable to all the special cases, including patent infringement.[7] And it presents a really acute problem as to how far such special exceptions should themselves be extended. It does seem odd drafting, to say the least, to add after a general and unlimited defining statute a series of eight or ten exceptions—all unexpressed as such, but each destroying the generality of the first provision. For precisely the same problem can be raised—even though this does not seem to have been generally perceived—as to the series of special venue statutes in this chapter, as well as those elsewhere stated, such as seamen's suits under the Jones Act.[8] It hardly seems possible—and the cases do not support the view—that Congress intended any such inroad on its general principle as to take out all these situations; nor is there any ground for distinguishing between, e.g., claims for patent infringement, for unfair competition, or for violation of the antitrust laws, which might properly come up in a single suit and be conveniently disposed of together. We conclude with the text writers that the general definition of corporate residence applies here also.

We should notice a final argument occasionally made, that

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[6] Note that in the earlier subdivisions of § 1391, viz., (a) and (b), specific exceptions are made for other provisions of the law.

[7] However exclusive it may be, the patent jurisdiction statute itself, § 1400(b), did bring in a new concept making the place of the wrong important. See *Stonite Products Co. v. Melvin Lloyd Co.*, 315 U.S. 561. This hardly suggests special privileges for patent infringers.

[8] As explained in footnote 2 *supra*.

the construction supported by plaintiffs will render the sec- [fol. 71] ond alternative of § 1400 (b) of no practical utility. Having in mind the manner in which the new Code was prepared, as stated above, it seems doubtful if any deduction of importance is to be drawn from the mere circumstance of continuance of provisions useful in the earlier legislation, 28 U.S.C. former § 109; and no such deduction has been made with reference to the provision for venue of cases under the Jones Act, as we have seen.[9] But it is quite clear that this alternative provision does have a sphere of decided usefulness in litigation against non-corporate defendants, and some provision of this nature was imperative. 56 Col. L. Rev. 394, 415 (1956).[10]

Because its literal wording thus coincides with the legislative purpose, viewed in historical perspective, to support a patent infringement suit where the venue is laid in the federal district in which the corporate defendant is doing business, the judgment below must be reversed and the action remanded for further proceedings not inconsistent with this opinion.

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[9] See footnotes 2 and 8 accompanying text *supra*.

[10] Even for corporate defendants, the two provisions are not identical; and "having a regular and established place of business" may not always be synonymous or coextensive with "doing business."

[fol. 72] IN UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Present: Hon. Charles E. Clark, Chief Judge, Hon. Carroll C. Hincks, Hon. J. Edward Lumbard, Circuit Judges.

TRANSMIRRA PRODUCTS CORP. AND ROBERT ARONSTEIN,
Plaintiffs-Appellants

v.

FOURCO GLASS CO., Defendant-Appellee

JUDGMENT—May 14, 1956

Appeal from the United States District Court for the Southern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

On consideration whereof, it is now hereby ordered, adjudged and decreed that the judgment of said District Court be and it hereby is reversed and action remanded in accordance with the opinion of this Court; with costs taxed in favor of the appellant.

A. Daniel Fusaro, Clerk.

[fol. 73] [File endorsement omitted].

[fol. 74] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 75] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, Petitioner

vs.

TRANSMIRRA PRODUCTS CORPORATION and ROBERT ARONSTEIN

ORDER ALLOWING CERTIORARI—Filed October 8, 1956

The petition herein for a writ of certiorari to the United States Court of Appeals for the Second Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

PETITION FOR A WRIT OF CERTIORARI

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN,
Respondents

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No.

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN, *Respondents*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit, entered in the above-entitled case on May 14, 1956.

CITATIONS TO OPINIONS BELOW

The opinion of the District Court (R. 2a) is reported at 133 F. Supp 531 (S.D. N.Y. 1955). The opinion of the Circuit Court of Appeals (R. 64a) is printed in Appendix B hereto, *infra*, page 2a, and is reported at F. 2d . , 109 U.S.P.Q. 325 (2d Cir., 1956).

JURISDICTION

The judgment of the Circuit Court of Appeals was entered on May 14, 1956 (R. 62a). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254 (1).

QUESTION PRESENTED

Whether the 1948 revision of the Judicial Code (Act of June 25, 1948, c. 646, 62 Stat. 869-994) changes the law and enlarges the permissible venue for patent infringement actions against corporate, as distinguished from non-corporate, defendants to permit a patent suit against a corporation in a judicial district where the corporation has not infringed and is not incorporated, but where it is merely doing business.

STATUTES INVOLVED

The statutory provisions involved, Sections 1338(a), 1391(c) and 1400(b) of Title 28 of the United States Code, are printed in Appendix A hereof, *infra*, page 1a.

STATEMENT

On February 3, 1955, respondents, Transmirra Products Corporation and Robert Aronstein, filed a complaint alleging infringement of Aronstein Patent No. 2,461,464, by petitioner, Fourco Glass Company. The jurisdiction of the District Court was invoked by respondents under 28 U.S.C. § 1338(a), because the case is one arising under the patent laws. On March 23, 1955, petitioner filed a motion to dismiss for want of proper venue.

Venue in patent infringement cases is controlled by 28 U.S.C., § 1400(b), which specifies that any civil action for patent infringement may be brought in the judicial district

(a) Where the defendant resides, or

(b) where the defendant has committed acts of infringement *and* has a regular and established place of business.

Petitioner moved to dismiss for the reason that neither of the alternative prerequisites of Title 28, § 1400(b) above set forth were satisfied. Specifically, petitioner's motion to dismiss was bottomed on the premises:

(a) that petitioner is a West Virginia corporation, and, hence, does not, within the meaning of Title 28, § 1400(b), reside within the Southern District of New York, where the complaint was filed, and

(b) that the petitioner had not committed acts of infringement within the Southern Judicial District of New York, as required by the second alternative of Title 28, § 1400(b).

Petitioner acknowledged that it had a place of business in New York City.

Respondents' contention was that the 1948 revision of the Judicial Code changes the law and enlarges the permissible venue for patent infringement actions against corporate defendants to the extent that § 1400 (b) is no longer the *exclusive* patent venue statute, but has incorporated therein the provision of the general venue § 1391(c), which specifies that a corporation may be sued in any judicial district in which it is merely doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

On August 5, 1955, after a full hearing on the merits, held July 26, 1955, the District Court entered judg-

ment granting petitioner's motion to dismiss for want of venue (R. 6a). The District Court, in its opinion, recognized that petitioner was doing business within the Southern District of New York, but ruled, in accordance with the weight of authority, that venue was improper for the reasons advanced by petitioner.

On August 29, 1955, respondents noted an appeal from the judgment of the District Court dismissing the complaint for want of venue.

On December 14, 1955, respondents filed in the Court below a motion to vacate and remand under Rule 60(b) of the Federal Rules of Civil Procedure (R. 23a). After a hearing on February 6, 1956, respondents' motion under Rule 60(b) was found to be without merit and was denied on February 14, 1956 (R. 62a).

After a hearing on April 12, 1956, the Court below entered judgment on May 14, 1956 (R. 72a), reversing the District Court and finding that venue was proper in accordance with respondents' contention with respect to enlargement by the 1948 revision of the Judicial Code of the permissible venue in patent infringement cases against corporate defendants. Specifically, the Court of Appeals, in its opinion, stated:

> "Plaintiffs appeal from the dismissal, for want of venue in the court below, of their action for patent infringement brought against a West Virginia corporation. In granting the defendant's motion to dismiss, Judge Dawson ruled that plaintiffs had shown no acts of infringement committed by the defendant in the Southern District of New York, although he did point out that it maintains a sales office in the district and by the regular and continuous course of activity there may be said to have a regular and established place of business therein. D.C. S.D. N.Y., 133 F.

Supp. 531. Since, disagreeing with the judge's interpretation of the governing legislation, we hold that the defendant 'resided' in the district within the applicable statutory definition of venue, we shall not consider his ruling with respect to the absence of local acts of infringement."

REASONS FOR GRANTING THE WRIT

1. The decision of the Court below is directly in conflict with (a) the decision of the Tenth Circuit Court of Appeals in *Ruth* v. *Eagle-Picher Co.*, 225 F. 2d 572 (10th Cir., 1955), printed in Appendix C, *infra*, page 9a, and (b) the decision of the Seventh Circuit Court of Appeals in *C-O-Two Fire Equipment Co.* v. *Barnes*, 194 F. 2d 410 (7th Cir., 1952).

Quite significantly, the specific conflicts above identified are, in actuality, mere isolated instances of widespread conflict which exists in the federal judicial system with respect to the question presented by this petition.

The Court below, in its opinion, recognized that its decision is in conflict with decisions of many federal courts rendered by eminent jurists. Specifically, the lower Court stated with respect to the question presented by this petition:

> ". . . But there has arisen a serious difference of opinion, many eminent judges reading the statutes as intending no change in the former law, wherein the corporation was an 'inhabitant' only of its state of incorporation. Able exponents of this view are Chief Judge Phillips in Ruth v. Eagle-Picher Co., 10 Cir., 225 F. 2d 572, with Judge Huxman dissenting, and Chief Judge Major in C-O-Two Fire Equipment Co. v. Barnes, 7 Cir., 194 F. 2d 410, with Judge Lindley dissenting, affirmed by an equally divided court,

Cardox Corp. v. C-O-Two Fire Equipment Co., 344 U.S. 861; see also Ackerman v. Hook, 3 Cir., 183 F. 2d 11. Opposed and expressing the view with which we agree are Dalton v. Shakespeare Co., 5 Cir., 196 F. 2d 469, and Guiberson Corp. v. Garrett Oil Tools, 5 Cir., 205 F. 2d 660, certiorari denied 346 U.S. 886,[3] as well as the text writers in general. See Note, Doing Business as a Test of Venue and Jurisdiction over Foreign Corporations in the Federal Courts, 56 Col. L. Rev. 394, 413-416 (1956); 47 Nw. L. Rev. 699-705 (1952); 21 Geo. Wash. L. Rev. 610 (1953); Seidel, Venue in Patent Litigation, 22 Geo. Wash. L. Rev. 682, 697 (1954); 3 Moore's Federal Practice 2139, 2140 (2d Ed. 1948); Moore's Commentary on the U.S. Judicial Code 178, 179, 184, 185 (1949)."

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[3] "The cases cited do not exhaust the judicial precedents, for there are several district court decisions also divided. Compare, e.g., Farr Co. v. Gratiot, D.C.S.D. Cal., 92 F. Supp. 320, per Hall, J., for the construction stated in the text, and Pierce v. Perlite Aggregates, Inc., D.C.N.D. Cal., 110 F. Supp. 684, per Lemmon, J., opposed. The case of Gulf Research & Development Co. v. Schlumberger Well Surveying Corp., D.C.S.D. Cal., 92 F. Supp. 16, per Harrison, J., also opposed, had a checkered career, as its transfer to Delaware, D.C.S.D. Cal., 10 F.R.D. 353, was unsuccessfully opposed by mandamus—a remedy refused because of lack of extraordinary circumstances. Gulf Research & Development Co. v. Harrison, 9 Cir., 185 F. 2d 457; Gulf Research & Development Co. v. Schlumberger Well Surveying Corp., D.C. Del., 98 F. Supp. 198, per Leahy, J.; Gulf Research & Development Co. v. Leahy, 3 Cir., 193 F. 2d 302, affirmed by an equally divided court, 344 U.S. 861."

In addition to the decisions enumerated in the foregoing quotation, the following District Court decisions, in *conflict* with the decision of the Court below in this case, have ruled that the 1948 revision of the Judicial Code did not enlarge the permissible venue for patent infringement actions against corporate defendants

and, hence, the question presented by this petition should be answered in the negative:

Jones v. *R.C.A.*, 129 F. Supp. 440 (S.D. N.Y. 1955)

Transmirra Products Corp. v. *Magnavox Co.*, 110 F. Supp. 676 (S.D. N.Y. 1953)

Rava v. *Westinghouse Electric Corp.*, 90 F. Supp. 707 (S.D. N.Y. 1950)

Nachtman v. *Jones & Laughlin Steel Corp.*, 90 F. Supp. 739 (D.C. D.C. 1950)

Fisher v. *Karl*, 84 F. Supp. 53 (E.D. N.Y. 1949)

Curtis v. *Madovoy*, 84 F. Supp. 637 (E.D. N.Y. 1949)

Arkay Infants Wear Inc. v. *Kline's Inc.*, 85 F. Supp. 98 (W.D. Mo. 1949)

Kamkap, Inc. v. *The Worldsbest Industries, Inc.*, F. Supp. , 110 U.S.P.Q. 229 (S.D. N.Y. 1956)[1]

The District Court for the District of Massachusetts, in a decision rendered subsequent to the decision of the Court below, in conformity therewith, answered the question presented by this petition in the affirmative in *Denis et al* v. *Perfect Parts, Inc., et al*, ... F. Supp. ...., 109 U.S.P.Q. 373 (D. Mass. 1956).

The issue presented by this petition was previously before this Court in the cases of *Cardox Corp.* v. *C-O-Two Fire Equipment Co.*, 344 U.S. 861, 73 S. Ct. 102 (1952),[2] and *Gulf Research & Development Co.* v.

[1] This case was decided on May 8, 1956. The decision of the Court below in the case at bar was rendered on May 14, 1956.

[2] This case was considered on certiorari to review the decision of the Seventh Circuit Court of Appeals in *C-O-Two Fire Equipment Co.* v. *Barnes*, *supra*, page 5.

Leahy, 344 U.S. 861, 73 S. Ct. 102 (1952). This Court, being equally divided, affirmed on the same day both of the lower Court decisions, which, *contrary* to the holding of the Court below in the instant case, decided the question presented by this petition in the negative. Such affirmance, of course, has no significance as a precedent.

The decision of the 10th Circuit Court of Appeals in *Ruth* v. *Eagle-Picher Co.*, *supra*, was rendered *subsequent* to the ruling of this Court in the *Cardox* and *Gulf* cases.

2. The decision of the Court below is in conflict with the decision of this Court in *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, 62 S. Ct. 780 (1942).

In the *Stonite* case, this Court held that the special patent venue statute "is the exclusive provision controlling venue in patent infringement proceedings".[3] The Court below expressly recognized that its decision could be supported only by "insertion in" 28 U.S.C. § 1400(b), the special patent venue statute, "of the definition of corporate residence" from 28 U.S.C. § 1391(c), the general corporate venue statute (R. 66a). In so holding, the Court below refused to follow the mandate of this Court in the *Stonite* case that the special patent venue statute is the *exclusive* provision controlling venue in patent infringement cases.

3. The extent of the existing conflict demonstrates the major importance of the question presented by this petition in the administration of the patent laws. The

[3] Although the decision in the *Stonite* case was based on a prior Act, 28 U.S.C. § 109, the rationale remains the same under § 1400(b) of Title 28.

overwhelming majority of patent infringement suits involve corporate defendants. The federal courts are in hopeless conflict on the question of where venue can properly be laid in such litigation. An authoritative ruling on the question by this Court is plainly in the public interest, and is required to insure an orderly administration of justice.

4. Although the judgment of the Court below is not a final one, it is appropriate for review, since the venue issue is fundamental to the further conduct of the case. *Larson* v. *Domestic and Foreign Commerce Corp.*, 337 U.S. 682, 69 S. Ct. 1457 (1949); *Land* v. *Dollar*, 330 U.S. 731, 67 S. Ct. 1009 (1947); *U. S.* v. *General Motors Corp.*, 323 U.S. 373, 377, 65 S. Ct. 357, 359 (1945).

CONCLUSION

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

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